

# WebMemo



Published by The Heritage Foundation

No. 1764

December 31, 2007

## Taxing Visitors Is the Wrong Way to Promote the United States

*James Jay Carafano, Ph.D.*

Holidays are the busy season for international travel to the United States. Tourism is an important part of the American economy and the most important part of America's public diplomacy. Nothing showcases America better than seeing the nation and its people. That said, the Travel Promotion Act of 2007, which would create a government-run advertising campaign funded by taxes on visitors, is the wrong way to improve America's economy and image. Instead, Congress should improve procedures and opportunities for visitors while leaving travel promotion to the private sector.

**Coming to America.** All forms of travel to the U.S.—from students attending universities to tourists headed to Disney World—dropped after the September 11 terrorist attacks on Washington and New York. By some estimates, overseas travel to the United States dropped by 17 to 20 percent. According to one business group, the Discover America Partnership, the decline has cost the United States \$94 billion (almost double the cost of the 9/11 disaster) and almost 200,000 jobs.

Some of the dip in travel can be attributed to increased restrictions imposed by the United States and greater scrutiny applied to visas. Part of the problem was perception: Many foreigners saw post-9/11 America as a less welcoming place. Indeed, one survey rated the United States one of the least “travel-friendly” nations in the world.

**The Wrong Solution.** The Travel Promotion Act of 2007, however, would create more problems

without solving any. First, it would enlarge Washington's bureaucracy. The bill requires the creation of a new independent body to manage and coordinate a nationwide travel promotion campaign. It would also establish a new position, the Undersecretary of Commerce for Travel Promotion.

Tourism promotion and advertising are properly private-sector functions. It is laughable to suggest that government bureaucrats are better suited to run an advertising campaign than companies with decades of experience in the international tourism trade.

Even worse, the legislation proposes paying for the advertising campaign in part by imposing a fee on travelers coming to the United States. The fee would be tacked on to a new electronic traveler-authorization system that is being set up to pre-screen international visitors coming to the United States. Since America is already perceived as an unwelcoming country, it is hard to imagine that raising taxes on prospective visitors is going to make the U.S. more popular. In addition, this measure is patently unfair. Foreign travelers should not have to pay for advertising that benefits the American tourist industry.

This paper, in its entirety, can be found at:  
[www.heritage.org/Research/PublicDiplomacy/wm1764.cfm](http://www.heritage.org/Research/PublicDiplomacy/wm1764.cfm)

Produced by the Douglas and Sarah Allison  
Center for Foreign Policy Studies

Published by The Heritage Foundation  
214 Massachusetts Avenue, NE  
Washington, DC 20002-4999  
(202) 546-4400 • [heritage.org](http://heritage.org)

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

**A Better Way.** America needs to do a better job of promoting itself. Washington, however, should stick to doing its job. Policymakers should reform visa and immigration services so that they are better, faster, and cheaper and provide better security and enforcement of immigration laws. Congress should focus on reforms that increase opportunities for students, vacation travel, and employment. Meanwhile, the private sector should do what it does best—make the case that visitors coming to the United States will find something worth seeing.

Surveys show that 72 percent of visitors to the United States leave with a positive image of the country. If Washington and the private sector both do their jobs, travel will increase and America's economy and image will improve.

—James Jay Carafano, Ph.D., is Assistant Director of the Kathryn and Shelby Cullom Davis Institute for International Studies and Senior Research Fellow for National Security and Homeland Security in the Douglas and Sarah Allison Center for Foreign Policy Studies at The Heritage Foundation.